

**GENERAL PURPOSE
FINANCIAL STATEMENTS**



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Combined Balance Sheet
All Fund Types, Account Groups and Component Units
June 30, 2001
(Expressed in Thousands)

	Governmental Fund Type	Proprietary Fund Type	Fiduciary Fund Type
	General	Enterprise	Trust and Agency
ASSETS AND OTHER DEBITS:			
Cash and cash equivalents	\$1,318,981	\$204,753	\$ 846,827
Investments	202,862	37,678	14,360,530
Receivables, net:			
Accounts	49,933	8,561	53,289
Taxes	290,956		
Employer			6,573
Employee			7,388
Notes and deposits	38,722		
Medicaid	135,174		
Loans	173,733	189,964	
Investment related	11,789	1,261	323,934
Due from other governments	40,853		6,708
Due from other funds - primary government	214		953
Due from other funds - higher education			
Advances to other funds - primary government	14,769		20,705
Inventories	28,200		
Fixed assets, net		3,004	1,378
Other assets	211	9,837	75
Amount available for debt service			
Amount to be provided for debt retirement			
TOTAL ASSETS AND OTHER DEBITS	<u>\$2,306,397</u>	<u>\$455,058</u>	<u>\$15,628,360</u>
LIABILITIES, EQUITY AND OTHER CREDITS:			
Liabilities:			
Accounts payable	\$ 58,723	\$ 1,111	\$ 1,400
Accrued and other liabilities	43,997	10,763	1,962,140
Deferred revenues	15,735	3,747	
Due to other governments	66,687		4,142
Due to other funds - primary government	6,563		126
Due to other funds - higher education			
Advances from other funds - primary government	20,705		
Workers' compensation benefits payable		173,736	
Medicaid claims payable	185,119		
Tax refunds and abatements payable	69,449		
Claims and judgments payable	8,600		
Agency liabilities			463,998
Capital leases		1,806	
Notes payable			
Revenue bonds payable			
Special obligation bonds payable		111,061	
General long-term debt payable			
Total Liabilities	<u>475,578</u>	<u>302,224</u>	<u>2,431,806</u>
Equity and other credits:			
Investment in fixed assets			
Retained earnings - unreserved		3,810	
Retained earnings - reserved for bond programs			
Contributed capital		149,024	
Fund balances:			
Reserved:			
Loans	173,733		
Advances to other funds	14,769		
Inventories	28,200		
Capital projects	99,042		
Higher education			
Unemployment compensation			220,213
Net assets held in trust for pension benefits			12,976,341
Debt service	45,974		
Unreserved:			
Designated	1,469,101		
Undesignated			
Total Equity and Other Credits	<u>1,830,819</u>	<u>152,834</u>	<u>13,196,554</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$2,306,397</u>	<u>\$455,058</u>	<u>\$15,628,360</u>

The accompanying notes are an integral part of the financial statements.

Higher Education Fund Type	Account Groups		Total Primary Government (Memorandum Only)	Component Units
	Fixed Assets	Long-Term Debt		
Colleges and Universities				
\$ 323,545			\$ 2,694,106	\$ 118,486
634,866			15,235,936	1,206,296
167,457			279,240	2,195
			290,956	
			6,573	
			7,388	
54,937			93,659	
			135,174	
			363,697	626,979
1,542			338,526	16,348
			47,561	
5,610			6,777	
12,963			12,963	
			35,474	
15,122			43,322	
2,532,185	\$1,262,955		3,799,522	514
12,395			22,518	80,354
		\$ 45,974	45,974	
		<u>821,684</u>	<u>821,684</u>	
<u>\$3,760,622</u>	<u>\$1,262,955</u>	<u>\$867,658</u>	<u>\$24,281,050</u>	<u>\$2,051,172</u>
\$ 70,791			\$ 132,025	\$ 8,279
395,468			2,412,368	82,008
23,330			42,812	
			70,829	
88			6,777	
12,963			12,963	
14,769			35,474	
			173,736	
			185,119	
			69,449	
			8,600	
			463,998	
12,025			13,831	
15,217			15,217	7,530
451,271			451,271	271,823
			111,061	1,510,217
		\$867,658	<u>867,658</u>	
<u>995,922</u>		<u>867,658</u>	<u>5,073,188</u>	<u>1,879,857</u>
2,116,942	\$1,262,955		3,379,897	
			3,810	
				63,978
				107,337
			149,024	
			173,733	
			14,769	
			28,200	
			99,042	
340,347			340,347	
			220,213	
			12,976,341	
			45,974	
			1,469,101	
<u>307,411</u>			<u>307,411</u>	
<u>2,764,700</u>	<u>1,262,955</u>		<u>19,207,862</u>	<u>171,315</u>
<u>\$3,760,622</u>	<u>\$1,262,955</u>	<u>\$867,658</u>	<u>\$24,281,050</u>	<u>\$2,051,172</u>

Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Fund

For the Fiscal Year Ended June 30, 2001
(Expressed in Thousands)

	Governmental Fund Type	Fiduciary Fund Type
	General	Expendable Trust
REVENUES:		
Taxes:		
Personal income	\$ 1,544,526	
Consumer sales	1,647,333	
Corporate net income	159,700	
Gas and motor carrier	257,407	
Unemployment		\$197,183
Other	373,688	
Intergovernmental	2,882,725	
Licenses, permits and fees	480,698	
Investment earnings	107,074	17,202
Other	<u>623,006</u>	
Total Revenues	<u>8,076,157</u>	<u>214,385</u>
EXPENDITURES:		
Current:		
Education	2,172,021	
Health and human resources	2,984,687	
Transportation	788,416	
Law, justice and public safety	509,428	
Recreation and resource development	196,734	
General government	602,855	
Regulation of businesses and professionals	120,189	269,014
Debt service	69,841	
Capital outlay	<u>132,485</u>	
Total Expenditures	<u>7,576,656</u>	<u>269,014</u>
Excess of revenues over (under) expenditures	499,501	(54,629)
OTHER FINANCING SOURCES (USES):		
Proceeds from long-term obligations	31,874	
Proceeds from capital leases	3,422	
Operating transfers in	658	
Operating transfers out	<u>(614,579)</u>	
Total Other Financing Uses	<u>(578,625)</u>	
REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	<u>(79,124)</u>	
FUND BALANCE AT BEGINNING OF YEAR	<u>1,913,445</u>	<u>274,842</u>
Decrease in reserve for inventory	<u>(3,502)</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 1,830,819</u>	<u>\$220,213</u>

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual-Variance (Budgetary Basis) General Fund

For the Fiscal Year Ended June 30, 2001
(Expressed in Thousands)

	General Fund		
	Budget	Actual	Variance Favorable
REVENUES:			
Taxes:			
Personal income	\$ 1,804,736	\$ 1,804,736	
Consumer sales	1,696,176	1,696,176	
Corporate net income	250,545	250,545	
Gas and motor carrier	431,737	431,737	
Use	606,416	606,416	
Other	893,538	893,538	
Intergovernmental	2,704,784	2,704,784	
Licenses, permits and fees	472,432	472,432	
Investment earnings	97,563	97,563	
Other	<u>676,939</u>	<u>676,939</u>	
Total Revenues	<u>9,634,866</u>	<u>9,634,866</u>	
EXPENDITURES:			
Current:			
Education	2,262,627	2,193,840	\$ 68,787
Health and human resources	2,946,077	2,813,929	132,148
Transportation	1,591,983	778,501	813,482
Law, justice and public safety	562,892	528,635	34,257
Recreation and resource development	427,450	219,442	208,008
General government	4,945,148	2,145,410	2,799,738
Regulation of businesses and professionals	178,941	135,092	43,849
Debt service	90,134	36,109	54,025
Capital outlay	<u>291,852</u>	<u>136,087</u>	<u>155,765</u>
Total Expenditures	<u>13,297,104</u>	<u>8,987,045</u>	<u>4,310,059</u>
Excess of revenues over (under) expenditures	(3,662,238)	647,821	4,310,059
OTHER FINANCING SOURCES (USES):			
Operating transfers in	9,965,624	9,965,624	
Operating transfers out	<u>(10,567,640)</u>	<u>(10,567,640)</u>	
Total Other Financing Uses	<u>(602,016)</u>	<u>(602,016)</u>	
REVENUES AND OTHER SOURCES (USES) OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(4,264,254)</u>	<u>45,805</u>	<u>4,310,059</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>1,913,445</u>	<u>1,913,445</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ (2,350,809)</u>	<u>\$ 1,959,250</u>	<u>\$ 4,310,059</u>

The accompanying notes are an integral part of the financial statements.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) Proprietary Fund Type and Discretely Presented Component Units

**For the Fiscal Year Ended June 30, 2001
(Expressed in Thousands)**

	Proprietary Fund Type	Component Units
	Enterprise	Proprietary Fund
OPERATING REVENUES:		
Licenses, permits and fees	\$ 7,445	
Investment earnings	13,661	\$163,022
Insurance tax	10,432	
Other	<u>699</u>	<u>1,277</u>
Total Operating Revenues	<u>32,237</u>	<u>164,299</u>
OPERATING EXPENSES:		
General and administrative	27,311	24,879
Interest	5,903	100,561
Depreciation	174	
Amortization	262	
Other	<u> </u>	<u>5,800</u>
Total Operating Expenses	<u>33,650</u>	<u>131,240</u>
Operating Income (Loss)	<u>(1,413)</u>	<u>33,059</u>
NON-OPERATING REVENUES (EXPENSES):		
Grants, entitlements, and shared revenues		13,339
Investment earnings	8,323	
Interest	<u>(124)</u>	<u> </u>
Total Non-Operating Revenue	<u>8,199</u>	<u>13,339</u>
Income Before Operating Transfers	<u>6,786</u>	<u>46,398</u>
OPERATING TRANSFERS -		
Operating transfers out	<u>(658)</u>	<u> </u>
NET INCOME	<u>6,128</u>	<u>46,398</u>
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	<u>(2,318)</u>	<u>124,917</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 3,810</u>	<u>\$171,315</u>

The accompanying notes are an integral part of the financial statements.

Combined Statement of Cash Flows
Proprietary Fund Type and Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2001
(Expressed in Thousands)

	Proprietary Fund Type	Component Units
	Enterprise	Proprietary Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ (1,413)	\$ 33,059
Adjustments to reconcile operating loss to cash provided (used) by operating activities:		
Depreciation, accretion and amortization, net	23	(10,001)
Provision for arbitrage rebate		5
Net depreciation on investments	(1,143)	(38,631)
Provision for loan loss		5,200
Loss on disposal of assets	3	
Changes in operating assets and liabilities:		
Accounts receivable	334	773
Accrued rent receivable		76
Loans receivable		(38,082)
Investment related receivable	1,895	(1,183)
Other assets	20	11
Accounts payable and accrued expenses	81	(2,904)
Workers' compensation benefits payable	3,535	
Other liabilities	(15)	(3,119)
Net Cash Provided (Used) by Operating Activities	<u>3,320</u>	<u>(54,796)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating transfers out to other funds	(658)	
Net change in note payable		7,530
Proceeds from issuance of bonds		286,829
Repayment of bonds	(3,705)	(196,251)
Payment of debt issuance costs		(1,546)
Collection of financing fees		1,076
Interest expense	(125)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(4,488)</u>	<u>97,638</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital lease obligation	(120)	
Loan cost of issuance paid by borrowers	137	
Proceeds from grants, entitlements, and shared revenues	14,092	13,339
Acquisition of capital assets	(39)	(28)
Net Cash Provided by Capital and Related Financing Activities	<u>14,070</u>	<u>13,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(4,946)	(1,230,300)
Investment earnings	8,323	
Proceeds from sales and maturities of investments	21,980	1,112,288
Net increase in short-term investments		(21,518)
Loan disbursements	(20,797)	(37,702)
Principal repayments on loans	10,952	71,740
Capital lease disbursements		(196)
Direct financing lease disbursements		(304)
Principal repayments on capital leases		7,856
Net Cash Provided (Used) by Investing Activities	<u>15,512</u>	<u>(98,136)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,414	(41,983)
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>176,339</u>	<u>160,469</u>
End of year	<u><u>\$ 204,753</u></u>	<u><u>\$ 118,486</u></u>

The accompanying notes are an integral part of the financial statements.

Combined Statement of Changes in Plan Net Assets Held in Trust for Pension Benefits Pension Trust Funds

**For the Fiscal Year Ended June 30, 2001
(Expressed in Thousands)**

	Fiduciary Fund Type
	Pension Trust
ADDITIONS:	
Contributions:	
Employer	\$ 307,619
Employee	<u>76,612</u>
Total Contributions	<u>384,231</u>
Investment income (loss):	
Net depreciation in fair value of investments	(809,380)
Interest	302,589
Dividends	77,698
Real estate operating income	7,508
Other	83,823
Less investment expense	<u>(134,293)</u>
Net Investment Loss	<u>(472,055)</u>
Other additions -	
Miscellaneous revenues	<u>8,361</u>
TOTAL ADDITIONS (LOSSES)	<u>(79,463)</u>
DEDUCTIONS:	
Annuity benefits	509,798
Refunds of employee contributions	4,497
Administrative expenses	12,329
Other deductions	<u>615</u>
TOTAL DEDUCTIONS	<u>527,239</u>
NET DECREASE	(606,702)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AT BEGINNING OF YEAR	<u>13,583,043</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AT END OF YEAR	<u>\$12,976,341</u>

The accompanying notes are an integral part of the financial statements.



Combined Statement of Changes in Fund Balances Higher Education Fund Type

For the Fiscal Year Ended June 30, 2001
(Expressed in Thousands)

	Current Funds			Endowment and Similar
	Unrestricted	Restricted	Loan	
REVENUES AND OTHER ADDITIONS:				
Unrestricted current fund revenues	\$ 437,414			
Auxiliary enterprises, hospitals and clinics	602,844			
Gifts and grants		\$ 348,201	\$ 379	\$ 1,438
Investment earnings		165	1,514	(4,802)
Additions to plant facilities				
Retirement of indebtedness				
Bond proceeds				
Other additions		2,637	1,486	15
Total Revenues and Other Additions	<u>1,040,258</u>	<u>351,003</u>	<u>3,379</u>	<u>(3,349)</u>
EXPENDITURES AND OTHER DEDUCTIONS:				
Education and general	997,873	354,340		
Auxiliary enterprises, hospitals and clinics	499,594	958		
Loan cancellations and write-offs			1,711	
Indirect cost recoveries		3,987		
Administration expenses			416	99
Refunded to grantors		673	22	
Retirement of indebtedness				
Expended for plant facilities				
Interest expense				
Issuance of bonds				
Disposal of plant facilities				
Other			76	15,226
Total Expenditures and Other Deductions	<u>1,497,467</u>	<u>359,958</u>	<u>2,225</u>	<u>15,325</u>
TRANSFERS AND OTHER ADDITIONS/(DEDUCTIONS):				
Mandatory:				
Principal and interest	(36,887)	(1,049)		
Matching contribution	(899)	784	115	
Renewals and replacements	(149)			
Other mandatory transfers	(3,781)	(199)	51	824
Non-Mandatory:				
Unexpended plant funds	(44,806)	(151)		
Renewals and replacements	(2,970)		(5)	
Retirement of indebtedness	(30)			
Other	(7,845)	(1,568)	(33)	2,463
Operating transfers in	<u>589,467</u>	<u>3,618</u>	<u>697</u>	
Total Transfers and Other Additions/(Deductions)	<u>492,100</u>	<u>1,435</u>	<u>825</u>	<u>3,287</u>
NET INCREASE (DECREASE) FOR THE YEAR	34,891	(7,520)	1,979	(15,387)
FUND BALANCE AT BEGINNING OF THE YEAR	<u>196,305</u>	<u>48,218</u>	<u>51,064</u>	<u>131,341</u>
FUND BALANCE AT END OF THE YEAR	<u>\$ 231,196</u>	<u>\$ 40,698</u>	<u>\$ 53,043</u>	<u>\$ 115,954</u>

The accompanying notes are an integral part of the financial statements.

<u>Plant Funds</u>	<u>Total</u>
	\$ 437,414
	602,844
\$ 45,270	395,288
8,230	5,107
263,521	263,521
45,494	45,494
21,074	21,074
<u>18,612</u>	<u>22,750</u>
<u>402,201</u>	<u>1,793,492</u>
	1,352,213
	500,552
	1,711
	3,987
389	904
	695
25,673	25,673
206,176	206,176
23,522	23,522
46,952	46,952
60,875	60,875
<u>8,949</u>	<u>24,251</u>
<u>372,536</u>	<u>2,247,511</u>
37,936	
149	
3,105	
44,957	
2,975	
30	
6,983	
<u>20,797</u>	<u>614,579</u>
<u>116,932</u>	<u>614,579</u>
146,597	160,560
<u>2,177,212</u>	<u>2,604,140</u>
<u>\$ 2,323,809</u>	<u>\$ 2,764,700</u>

Combined Statement of Current Funds Revenues, Expenditures, Transfers and Other Changes in Fund Balances Higher Education Fund Type

For the Fiscal Year Ended June 30, 2001

(Expressed in Thousands)

	Current Funds		Total
	Unrestricted	Restricted	
REVENUES:			
Tuition and fees	\$ 254,691		\$ 254,691
Federal appropriations		\$ 9,312	9,312
Endowment income	801	3,500	4,301
Federal grants and contracts	4,403	194,493	198,896
State and local grants and contracts	4,471	69,123	73,594
Private gifts, grants and contracts	8,021	66,071	74,092
Investment earnings	3,999	69	4,068
Sales and services of educational facilities	54,897	622	55,519
Sales and services of auxiliary enterprises and hospitals	602,844	2,862	605,706
Insurance	65,804		65,804
Other sources	40,327	291	40,618
Total Current Revenues	<u>1,040,258</u>	<u>346,343</u>	<u>1,386,601</u>
EXPENDITURES AND MANDATORY TRANSFERS:			
Educational and General:			
Instruction	417,952	37,536	455,488
Research	53,062	80,219	133,281
Public service	42,936	52,275	95,211
Academic support	81,288	14,486	95,774
Student services	45,658	9,695	55,353
Institutional support	145,013	3,887	148,900
Operation and maintenance of plant	94,443	151	94,594
Scholarships and awards	57,784	156,070	213,854
Insurance activity	59,371		59,371
Other expenditures	366	21	387
Educational and General Expenditures	<u>997,873</u>	<u>354,340</u>	<u>1,352,213</u>
Mandatory Transfers for:			
Principal and interest	21,693	1,049	22,742
Matching requirements	899	(784)	115
Other mandatory transfers	3,781	199	3,980
Total Educational and General	<u>1,024,246</u>	<u>354,804</u>	<u>1,379,050</u>
Auxiliary Enterprises and Hospitals:			
Expenditures	499,594	958	500,552
Mandatory transfers for:			
Principal and interest	15,194		15,194
Renewals and replacements	149		149
Total Auxiliary Enterprises and Hospitals	<u>514,937</u>	<u>958</u>	<u>515,895</u>
Operating Transfers In	<u>(589,467)</u>	<u>(3,618)</u>	<u>(593,085)</u>
Total Expenditures and Mandatory Transfers	<u>949,716</u>	<u>352,144</u>	<u>1,301,860</u>
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
Educational and General Non-Mandatory Transfers for:			
Unexpended plant	(44,806)	(151)	(44,957)
Renewals and replacements	(2,970)		(2,970)
Retirement of indebtedness	(30)		(30)
Other non-mandatory transfers	(7,845)	(1,568)	(9,413)
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 34,891</u>	<u>\$ (7,520)</u>	<u>\$ 27,371</u>

The accompanying notes are an integral part of the financial statements.